

1942

The American Observer

A free, virtuous, and enlightened people must know well the great principles and causes on which their happiness depends. — James Monroe

VOLUME XI, NUMBER 20

WASHINGTON, D. C.

FEBRUARY 2, 1942

Report Of Planning Board Far-Reaching

Calls for Sweeping Program to Maintain Prosperous Conditions After War

LISTS NEW HUMAN RIGHTS

Economic Security, It Contends, Must Be Added to Individual Freedoms That We Now Enjoy

A few days ago, President Roosevelt sent a report to Congress. It had been prepared by the National Resources Planning Board. Some of the daily papers carried the story of this report on their front pages, but others buried it inside. Few, if any, of them, gave it the space and prominence it deserved, for this was a very important document.

The report explained how we can avoid depression when the war ends and the great war industries are demobilized. But it did not stop at that. It looked into the future and outlined goals which it thought the American people could, and should, reach.

Building the Future

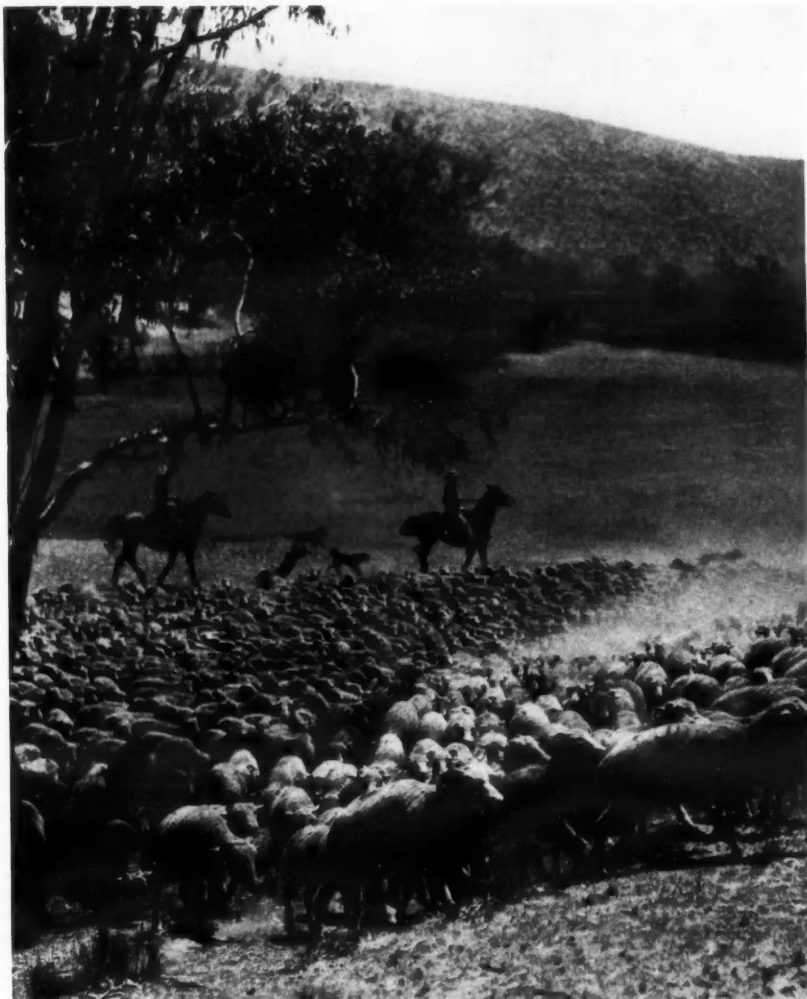
This picture of the future we may build in America is attractive; even exciting. If, says the report, we marshal the resources of the nation in peacetime as we do in war, if we devote as much energy to the work of wiping out crime and disease and poverty as we do to winning a war, we can have almost anything we ask for. We can give all the people work, security, homes, medical care, education. We can establish an era of prosperity such as the world has never seen.

All this may sound a little like daydreaming, but the men who wrote the report are not irresponsible dreamers. They are economists, scientists, statisticians. They are officials of the United States Government.

The National Resources Planning Board has been called "the planning arm of the Executive Office of the President." It is the duty of the Board to "prepare and make available to the President and the Congress plans, programs, and information that may be helpful to the wise use and fullest development of our national resources. In carrying on its activities, the Board consults and cooperates with agencies of the federal government, with states and municipalities, and with public or private planning or research agencies, and acts as a clearinghouse and means of coordination for planning activities."

The National Resources Planning Board makes studies of economic and social conditions, works out plans for the improvement of these conditions, reports to the President and the Congress about trends of business activity and of employment; plans long-range programs of public works, employment, and relief.

(Continued on page 7)



AUSTRALIAN NATIONAL TRAVEL ASS'N

In Australia sheep outnumber people 17 to 1

Attention, Students!

Not often do we recommend participation in essay contests, but we believe that many of our readers may be interested in a contest which has been announced by the Pan American Union. The purpose is a laudable one—to promote understanding and good will among the students of the Americas. The project has the approval of the Governing Board of Pan American Union, which consists of the secretary of state of the United States, and the ambassadors and ministers representing in Washington the Latin American republics.

Officials of the Union believe that intelligent discussion and writing must be preceded by a knowledge of the countries and peoples which as nations comprise the membership of the Pan American Union. For that purpose an Inter-American Forum has been established to guide the discussion and to have charge of the competition among the students. The forum has taken "Know Your Neighbor" as its slogan, and a variety of factual information will be distributed to schools, including the results of Inter-American conferences, such as that of the foreign ministers at Rio de Janeiro. "A brochure of basic information, giving important background material, will be available to each high school requesting it."

After the studies have been made, essays are to be written on the subject "What Inter-American Cooperation Means to My Country." An essay is not to exceed 700 words in length. Any high school student is eligible. The essays must be in the hands of school authorities by April 14, 1942. Because of differences in language, two schedules of awards have been prepared. Papers written in the romance languages of Spanish, Portuguese, French, will be entered in competition with each other. Papers in English will be judged separately. In each instance a total of \$10,000 in awards is offered.

The principal prize is a four-year university scholarship valued at \$6,000, at least two years to be spent in a university in another American republic. The diplomatic representative of the United States will be asked to cooperate in looking after the student's welfare and progress while the winning pupil is studying abroad. In addition to the scholarship, \$50 will be given for the best paper from each state, \$25 for the second best paper, and a silver medal for the third, the first two to be accompanied by appropriate certificates of award. State awards will be made by competent local educators.

The best feature of this competition is that you can't lose. If you win a prize, well and good. If you don't, you at least have engaged in an intensive study of inter-American problems, and you are better informed than before concerning this field which is so vital to American welfare.

Japanese Bring War To Australia's Door

Landings Have Been Made on Several Island Approaches to "Land Down Under"

DEFENDERS APPEAL TO U. S.

Japan Hopes to Cut United Nations' Supply Line to Malaya and the Dutch East Indies

A new theater of war was opened last week as the Japanese landed at three or more places on the islands which protect the continent of Australia. They made landings on the island of New Britain, on the northern end of the Solomon chain of islands, and on the island of New Guinea, which is half Australian and half Dutch. The threat to the mainland of Australia was as real as the invasion of our Caribbean outposts would be to the security of the United States.

The peril confronting Australia is readily appreciated when one considers the fact that the country is nearly as large as the United States and is completely surrounded by water. Thus its coast line to be defended is far more extensive than our own Atlantic and Pacific coasts, and yet the available man power is only one-twentieth that of the United States.

Appeals for Help

Faced by the greatest danger in its national history, the dominion moved swiftly. The government appealed to the United States and Great Britain for help. Australia must have war equipment of all kinds, was the plea, if she is to ward off the invaders. While waiting for help from the outside, the government moved swiftly to strengthen its defenses. The Army Minister, Francis M. Forde, urged every man and woman in the dominion to take a place immediately in the national defense effort. He urged them either to join the armed forces of the country or to go to work in the munitions factories.

"It is well," he said, "that the public should realize the seriousness of the full-scale military assault on New Guinea. If successful, it would probably result in bases being established from which the Australian mainland could be attacked. It is the plain duty of the Australian people to prepare for any eventuality. . . . Everything now must be subordinated to the national interest."

The dominion government immediately put into operation the plans which had been made for blacking out coastal cities. They also began accepting enrollments to swell the home defense units. Since every able-bodied man would be needed, the Australian armed forces for the first time were opened to foreigners. Resident aliens of Austrian, Danish, Italian, Czech, and German birth flocked into recruiting stations. The recruiting sergeants

(Concluded on page 6)



SKI TROOPS are being trained by the U. S. Army, after the fashion made famous by the Finns and Russians in the war.

A Week of the War

The following information is based on material furnished by the Office of Government Reports.

In every corner of the world, the United States already has some active share in the war. American dollars are purchasing the fuel for trucks which carry supplies to China along the Burma Road. Paralleling that crude, twisting highway, a railroad is being built by 250,000 Chinese laborers, among whom the United States Public Health Service is battling malaria. An air line to Iceland, another across the South Atlantic, and bases on the Arabian Sea and the Persian Gulf are also counted among the projects which this nation is making possible.

Examples of lend-lease aid, cited above, come from the newly published "Report to the Nation," by the Office of Facts and Figures. It states that "the United States, with roughly seven per cent of the world's area and population, has pledged itself to become the arsenal for 72 per cent of the world's area and for 64 per cent of its people." The report also gives a great deal of information about the progress of the nation's war effort in general. Copies may be obtained by writing to the Office of Facts and Figures, Washington, D. C.

Automobile factories are preparing to turn out a wide variety of war materials. The list includes armored cars, cartridge cases, carbines, fire-control directors, machine guns, gun mounts, armor-piercing shot, tanks, optical instruments, gun carriages, pontoon equipment, aircraft parts, anti-aircraft parts, airplane engines, and Army trucks.

Germany is far from being pinched by lack of raw materials, according to the Bureau of Mines. She has ample supplies of lead, zinc, and mercury, and now controls enormous resources of iron ore, manganese, and coal—enough of these, in fact, to support an iron and steel industry which can compete with that of Great Britain and the United States. It is true that she lacks copper, tin, tungsten, nickel, and petroleum, but is making up for these deficiencies by substitution, reclamation, and stockpiling. German production of aluminum and manganese, of course, is high. Altogether, the bureau sees no immediate prospect of a collapse of the Nazi military machine for lack of resources.

Blood plasma stores for transfusions and sulfa drugs for the prevention of infection saved literally hundreds of lives among the wounded at Hawaii's Pearl Harbor. According to the War Department, the wonder-working sulfa drugs especially were of "incalculable value" in the treatment of open wounds.

Daylight saving time begins next week, on February 9. The official time for setting clocks throughout the nation one hour ahead is two a.m. that day, but the average person, of course, will make the adjustment before going to bed next Sunday night.

United States Mints worked "around the clock" in 1941 to set new records for the production of coins. Last year they turned out, in round numbers, 43,553,000 half dollars, 111,842,000 quarters, 263,830,000 dimes, 300,160,000 nickels, and 1,108,000,000 pennies. The total value of the output was \$102,209,510.

Fashion designers keep an eye on Washington these days while determining new styles. To conserve wool, recommendations submitted by the clothing industry to the War Production Board include the following: elimination of two-trouser suits and of vests for double-breasted suits; a halt in the production of patch pockets, belted coats, and cuffs and pleats for trousers; and a shortening of coat lengths.

President Roosevelt has asked Congress to provide \$300,000,000 for paying unemployment benefits to workers who will lose their jobs while industry is converting from normal to war production. The compensation program would be geared in with the regular unemployment benefits which are already established.

Stamp collectors have been the victims of a "racket" carried on by the Axis nations, according to the Treasury Department. Under the name of the countries which they occupied, the Axis governments kept issuing new stamps, not for regular postal services so much as for export to the United States. The sale of the stamps is said to have brought the Axis \$20,000,000 from the pockets of U. S. collectors. The Treasury has destroyed the business by prohibiting imports of stamps from Axis or Axis-controlled nations.

What Others Say

In his book on Nazi Germany, *People Under Hitler* (New York: Harcourt, Brace, and Company. \$3.50), Wallace R. Deuel makes the following analysis of Adolf Hitler's character:

The central fact about Adolf Hitler's temperament and character is that he is a man of violent and even terrible passion.

This passion takes now one form and now another. Different observers have been struck by different aspects and expressions of it. Some have noted principally Hitler's faith in himself and in his mission, others his stupendous nervous energy and power of will. Some have chiefly remarked his savage bitterness, his awful frenzies of rage, others his fits of hysterical tears and threats of suicide. To one student Hitler is most conspicuously a lonely and aloof man, to another a sensitive, a subtle, and an intuitive one; to another Hitler's almost mesmeric powers of suggestion are most striking. Or it may be Hitler's utter unscrupulousness in general and, more specifically, his apparently absolute inability to tell the truth when it is contrary to his interests to do so that seem most characteristic of this man.

But these are all only different names for what is essentially the same quality, or, at the most, they are different aspects and expressions of it—the quality of violent emotions and passions so fiercely flaming that they verily compel the man in whom they rage to prodigies of faith and will and energy, and that also flare up in frenzies of both bitterness and despair; that set him off from other, more normal, men; that temper his perceptions to points of refinement and subtlety unknown to those of colder, blunter temperaments; that yet seize upon and hold these others by a power of awful fascination; that blind the man himself to values, to proportions, to obstacles, and to facts and truths that to other men are ineluctable and all-important.



"We may win the war and still lose the peace," says William Allen White in the *Emporia Gazette*, "if we are not, as Americans—and by that I mean the whole of America, from Patagonia to Alaska—united economically and willing to make such sacrifices as will establish some decent approximate of economic and industrial justice in this world under the leadership of the Western Hemisphere, a united hemisphere. Now listen: The Congress at Rio this week means much. It may usher in the real beginning of the new United States of all America. We in the United States of North America must not flinch at the sacrifices that will be needed to establish this union."

"In the Far East we were woefully derelict, both the United States and Great Britain. Now we are paying the price. The United States paid part of it at Pearl Harbor, and part of it again in Manila. The British paid part of their price in Hong Kong and they may pay the bitter toll of Singapore."

"Nevertheless in the long run, we shall win this war. I hope that we shall win it with a humble and contrite heart. For only in humiliation and with a chastened spirit shall we be worthy of the victory. Only in penitence and 'charity toward all' can we make our victory a landmark, a milestone in the humanity's progress to a better, more equitable world."

THE National Education Association has published a book which should be in the hands of every American citizen at the present time. It is *The American Citizens Handbook* (Washington: National Education Association. \$1) and has been arranged and edited by Joy Elmer Morgan, editor of the N. E. A.'s *Journal*.

In addition to editorials by Mr. Morgan, Clarence A. Dykstra, Willard E. Givens, and other leaders in the field of education, it contains many of the documents and literature essential to an appreciation of citizenship. Patriotic selections in poetry and song, important documents, from Magna Charta to the Atlantic Charter, biographical sketches of outstanding historical characters; these are among the contents of this book. As Mr. Morgan says in his essay: "The setup in our country and in the world is changing so rapidly that new problems of life and government arise overnight and if people are to meet them with full intelligence, they must continue their study and education throughout the years."



PEOPLE who are thoughtful and well informed are obliged to read much that is unpleasant because we are living through an era which is dangerous and frightful. We cannot avoid reality simply because it is disagreeable. If we did that, we should render ourselves helpless. But while we must give much attention to grim reality, we need not spend all our time with it. We are justified in seeking escape now and then into a world which is fantastic or unreal. Many people find escape through detective or mystery fiction. Some of our greatest statesmen have been readers of detective stories.

Among the best and most popular of recent fiction of this kind are two books by Manning Coles, *Drink to Yesterday* and *A Toast to Tomorrow* (New York: Doubleday, Doran & Co. Each \$2). These are international spy stories. *Drink to Yesterday* covers the World War period while *A Toast to Tomorrow* deals with the period from the end of the World War until the beginning of World War II. This book begins with an Englishman who loses his memory, thinks he is German, awakens finally to find himself in the possession of valuable secret documents. From this point, the story is exciting to the end. These books are far above the average of detective or mystery fiction. They rank with the best in that field.

MORE and more, people in the United States are trying to understand their neighbors in Latin America. A recent booklet—*South America with Mexico and Central America* by J. B. Trend (New York: Oxford University Press. \$1)—will greatly assist in this task. Professor Trend undertakes to interpret the Latin Americans for us. Here is what he says about some of the racial groups:

In the Spanish American countries it is the Indian admixture, not the Negro, which determines the race. A man born of European ancestry is called a *criollo*; a man of mixed Spanish and Indian blood is known as *mestizo*. But visitors must be very careful in the use of these terms. Many Spanish Americans would think it snobbish, and therefore bad manners, to classify people in this way. It is only in Argentina and Uruguay, the two *criollo* countries, that people pride themselves on being *criollos*. Elsewhere it may, as in old Brazil, imply a social distinction: in Bolivia it is said that an Indian turns into a *mestizo* by a change of clothes, and a *mestizo* becomes a *criollo* by acquiring land. But there is no purely racial snobbery between *criollos* and *mestizos*: many Spanish Americans, like many North Americans, are proud of a dash of Indian blood. The general attitude, outside Argentina and Uruguay, is only a little less liberal than in Brazil. . . . The consciousness of mixed blood and pride in it—pride in not being European, but American—is producing a distinctive outlook on life.



Seeing South America . . . XIX

If you will look at a map of South America, you will see that Uruguay, the smallest South American republic, lies across the broad mouth of the Plate River from Argentina. We made the trip from Buenos Aires to Montevideo, the Uruguayan capital, by boat. We left B. A. late in the evening, and reached Montevideo early the next morning.

Montevideo is a city of about half a million—clean, attractive, progressive. There is one principal street, the Avenida 18 de Julio, or Eighteenth of July Street, which is really Montevideo's "Main Street." Nearly all the best shops are found here.

You will find a picture of Avenida 18 de Julio on this page. Note the number of buildings of modern design. I had seen pictures of these modern buildings before going to



Uruguay

Montevideo, and had the impression that modern or modernistic buildings were quite common in the city. However, one does not see very many of them. The architecture is rather old. Many of the buildings appear worn, and the shops, even in the center of the shopping district, could scarcely be called "smart."

There are a number of beautiful buildings in Montevideo. The people who live there are very proud of them. They are anxious to show you the government building where the Houses of Parliament meet and also the building which houses the Bank of the Republic which, I suppose, is one of the finest, though not the largest, bank buildings in the world.

We did not see Montevideo at its gayest or busiest, for we were there the last week in June, which was midwinter. It was not very cold, the temperature being down to around the freezing point, but this was considered cold by the Uruguayans. Montevideo is at its best during the summer season, as it does a thriving resort business. The beaches and beach hotels are famous throughout South America, and are patronized not only by the local people, but by the Argentines. Many come over during the summer from Buenos Aires. The beaches are not as good as are the best in the United States, but they are, nevertheless, attractive.

One is not likely to go to Montevideo without visiting the Cerro, a high hill which overlooks the city and harbor. From here one gets a very good picture of the city.

It was in the harbor of Montevideo that the German battleship *Graf Spee* sought shelter after having been disabled in a battle with British cruisers. It lay anchored a while in the harbor, then started out into the channel where it was sunk by its crew. The

people of Montevideo were greatly excited by this drama, and we found them still talking about it, months after the event. Wherever postcards were on sale, there were sure to be cards with pictures of the *Graf Spee* before and after the battle, and in various positions in the harbor. From the Cerro we were shown where it sank, and were told that on a clear day the mast was still visible.

Nowhere did we find the people so intensely anti-German and pro-Ally as in Montevideo. We were there only about a week after the invasion of Russia, and mass meetings were being held to express indignation and to call upon the government to take action against Germany.

Uruguay is a small country, somewhat smaller in area than Kansas, with a population about the same as that state. About a third to a fourth of all the people of the country live in Montevideo. The nation, as a whole, is agricultural. Most of the land is devoted to grazing. Cattle and sheep raising are the chief industries. The country is rolling, but not mountainous.

We saw large herds of cattle being driven through streets on the outskirts of Montevideo. They were being brought in to the slaughterhouses, of which there are several large ones in the city. Two of the largest are owned by the American packers, Armour and Swift.

We did not take the time to make a study of living conditions or of states of opinion in Uruguay. We had only a fleeting glance at the capital. We were there but two days. Our impressions were necessarily superficial. They were, however, quite favorable. Montevideo, in the winter, was not a bustling place, but it was a quiet, attractive city, not especially interesting, but fairly prosperous and decidedly friendly.

—WALTER E. MYER

PLANNING BOARD REPORT

(Concluded from page 7)

9. *The right to rest, recreation and adventure; the opportunity to enjoy life and take part in an advancing civilization.*

"These rights and opportunities," says the Report, "we in the United States want for ourselves and for our children now and when this war is over. They go beyond the political

forms and freedoms for which our ancestors fought and which they handed on to us, because we live in a new world in which the central problems arise from new pressures of power, production, and population, which our forefathers did not face.

"Their problem was freedom and the production of wealth, the building of this continent with its farms, industries, transportation, and power; ours is freedom and the distribution of abundance, so that there may be no unemployment while there are adequate resources and men ready to work and in need of food, clothing, and shelter. It is to meet this new turn of events, that the new declaration of rights is demanded. But in formulating these new rights, we are not blind to the obligations which go with every right, obligations of the individual to use well his rights and to insist on the same rights for others, and obligations of the community to support and protect the institutions which make these rights actual. We believe that the American people are ready to assume these obligations and to take the private and the public action they impose."

REFERENCES:

The report of the National Resources Planning Board on which this article is based is entitled *National Resources Development, 1942*. It may be obtained at a small cost from the Superintendent of Documents, Washington, D. C. Virtually all the publications of the National Resources Planning Board are full of news of postwar planning.

"Taking Thought for the Morrow," by Beulah Amidon. *Survey Graphic*, November, 1941, pp. 637-638. A challenge to plan now for the day when demobilization comes to the Arsenal for Democracy.

"America After Defense," a series of three articles by Alden Stevens in *The Nation* for October 18, 1941, pp. 371-373; November 1, pp. 425-427; November 8, pp. 451-453. The effect of defense on technological advance, unemployment, and productive capacity; the problems of demobilization.

The Annals of the American Academy of Political and Social Science for July, 1941, "Defending America's Future," contains a variety of articles on postwar reconstruction in America. See pp. 24, 31, 38, 125, 135, and 156.



Uruguayan Gauchos, or cowboys



Avenida 18 de Julio in Montevideo is one of the finest boulevards in South America

♦ SMILES ♦

Teacher: "Freddy, where is the Swannee River?"

Freddy (after some hesitation): "I don't know exactly, but it's far, far away."
—CAPPER'S WEEKLY

"I'm having a hard time meeting expenses these days. How about you?"
"Well, I'm not—I meet 'em at every turn."
—PATHFINDER



"I have instructions to eat the dispatches if in danger of being captured—that's where he comes in."
BOY'S LIFE

Hotel Page: "Telegram for Mr. Niespondiavanci! Telegram for Mr. Niespondiavanci!"

Mr. Niespondiavanci: "What initial, please?"
—THE CLIPPER

"Yes, I've moved out into the country. It certainly has its inconveniences."

"What do you miss most?"
"That last train home at night."
—WALL STREET JOURNAL

"How did the audience seem to receive your campaign speech when you told them you had never bought a vote?"

"A few cheered, but the majority seemed to lose interest."
—CASLON COMMENTS

"You want to go in and say: 'Good morning, Judge, how do you feel?'"
"Not me. I did that the last time and the Judge said: 'Fine—10 dollars.'"
—SELECTED

Customer: "I want a ticket to New York."

Ticket Agent: "Do you wish to go by Buffalo?"

Customer: "Certainly not! I want to go by train."
—SCRIPPAGE

Pronunciations

Agedabia—ah-jay-dah-bee'ah
Balik Papan—bah'leek pah'pahh
El Agheila—el' ah-gay'lah
Mozhaisk—moe-zhisk-i as in ice
Vyazma—vyahz'mah

The Week at Home

Blame for Pearl Harbor

A commission headed by Supreme Court Justice Owen J. Roberts went to Hawaii several weeks ago to investigate and determine responsibility for our defeat at Pearl Harbor. The report of that commission has just been made public. In great detail it analyzes the incident and its background. It concludes that Army and Navy officers at Hawaii were too complacent about a possible Japanese attack, and that they had not made sufficient preparations in face of repeated warnings from their superiors in Washington.



HARRIS AND EWING

JUSTICE ROBERTS is interviewed by reporters as he leaves the White House after having delivered the report on Pearl Harbor to the President.

Chief blame was laid upon Admiral Husband E. Kimmel, commander in chief of the Pacific Fleet, and Lieutenant General Walter C. Short, commanding general of the Hawaiian Department, both of whom were relieved of their commands last December 17. The committee reported a complete lack of cooperation between these two officers, for which they may face court-martial.

The significance of the report lies, not so much in fixing blame, as in the fact that it will likely lead to greater unification of command for all vital centers of American defense, and thus help prevent future Pearl Harbors.

Report to the Nation

As an antidote to the recent Tolan, Truman, and Vinson reports on our defense effort, we now have a "Report to the Nation" issued by the Office of Facts and Figures. The earlier reports painted a very ugly picture of our blunders and mistakes. While the new report does not deny these criticisms, it does point to the more favorable aspects of our war production. Written by the poet Archibald MacLeish, it summarizes in moving prose the actual accomplishments of a year and a half of

struggle—lend-lease, the growth of the armed forces, the building of ships, planes, tanks, and guns.

Here are a few of the heartening facts the report discloses:

America has four types of combat planes and several bombers better than anything yet produced abroad. In one year, production of tanks has increased by three times, guns five times, and ammunition nine times. We are now turning out combat planes at the rate of 30,000 a year. Already the Army has completed on schedule 450 construction projects. Thirteen billion dollars has been appropriated to make America the arsenal for 33 nations, 72 per cent of the world's area, and 64 per cent of its peoples.

Troops to Ireland

America's first expeditionary force of World War II landed in North Ireland last week—an operation that was successfully carried out under the cloak of wartime censorship. Several thousand troops took part in the movement, but the exact number was withheld.

News of the event was quickly spread to the United Nations and to all the conquered territories. For it was important that less than two months after the United States entered the conflict, we were sending men to the war zones. It fulfilled President Roosevelt's promise, in his annual message to Congress, that America would actively engage in the war in all parts of the world.

The forces which have reached Ireland will help to strengthen an area that is greatly exposed to German attack. It has been feared that if the Nazis were to attempt an invasion of Britain, it might be by way of the Irish coast. American workmen have been engaged in North Ireland for some months on the building of bases for the defense of that region, and now American soldiers will man some of these fortifications.

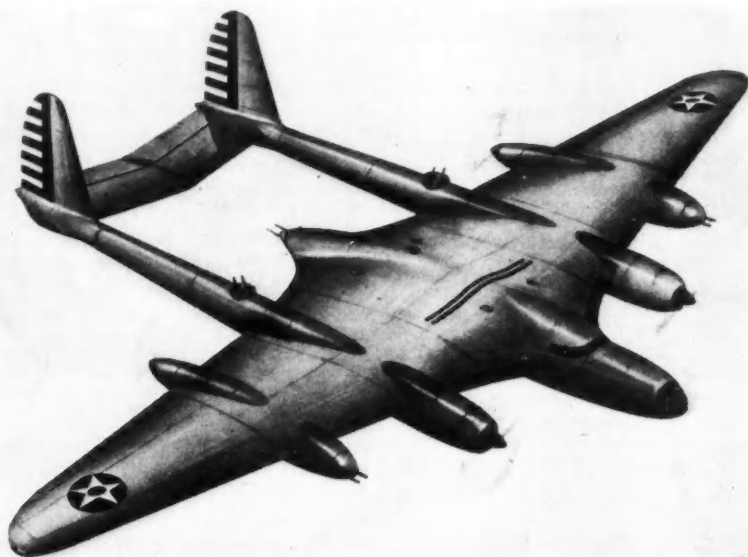
Red Cross in Action

The American Red Cross is appealing for \$50,000,000 to provide relief for American war victims and to carry on rapidly expanding services for the armed forces. Here is one ex-



PRESS ASS'N

READY FOR AIR RAIDS. In New York City 78 emergency cabinets like this one have been installed near the roofs of buildings owned by the Consolidated Edison System. One hundred and fifty employees have been trained to use equipment to cope with incendiary bombs.



ACME

AIRPLANES OF TOMORROW will be far different from those of today. Each nation is designing new planes which will have greater speed, range, and fire power. This four-engine bomber design is one of many trends explored by the United States. It has two propellers of the pusher type and two of the tractor type.

ample of the magnificent task the Red Cross is doing:

Before bombs had stopped falling at Pearl Harbor, more than 2,000 Red Cross doctors, nurses, and first-aid workers had gone into action. They went out in boats to warships in distress, and helped move the wounded to hospitals. There the injured were dressed with Red Cross bandages, for commercial production of surgical dressings meets only 10 per cent of the need in wartime. For transfusions, the Red Cross had on hand fresh stores of blood plasma in distilled water.

When the wounded were sufficiently recovered to be removed to the United States, it was the Red Cross which transported them to the ships and attended them on shipboard. At San Francisco another Red Cross motor corps met the evacuees and assisted them to other hospitals, military bases, or their homes.

In the Philippines also the Red Cross is carrying on its work. It even maintains a 24-hour service for investigating and verifying reports of deaths in the families of men in the armed forces.

Labor Unity Postponed

The proposal for union of the AFL and CIO made by John L. Lewis a few days ago has met a sudden and unexpected end. Because Lewis had not consulted with any of the CIO leaders, Philip Murray condemned the plan as a scheme to revive Lewis' power in organized labor at Murray's expense. The CIO president announced that any labor peace plans would have to be approved by the CIO executive council.

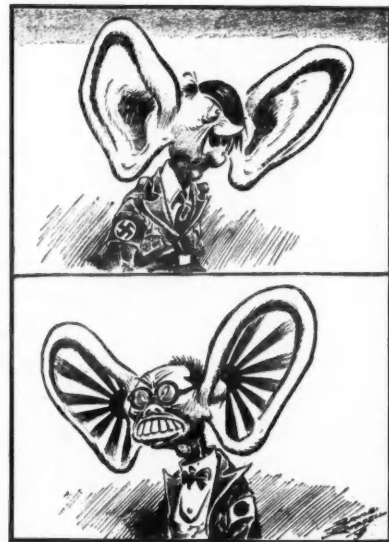
President Roosevelt, too, disliked the Lewis proposal. He feared that it would revive many old interunion feuds, and that the fight by various labor chieftains to secure high positions in the new organization would retard the defense program. Therefore, he made a counterproposal, which was quickly accepted by both labor groups. This plan provides for a "labor cabinet," consisting of three representatives of each organization, to consult with the President on all matters relating to labor's part in the war effort.

Approval of the Roosevelt plan by

organized labor was a real rebuff for Lewis, who was not considered for membership on the new council.

Price Control

By the time this paper reaches its readers the price-control bill will likely have become law. All that remains as we go to press is for the two houses to place their approval on a compromise measure which has finally been produced from the conference committee.



Four reasons for keeping mum
RUSSELL IN LOS ANGELES TIMES

The compromise bill satisfied no one completely, as could be expected in light of the vigorous controversy of the past six months. At the last minute it was denounced by Price Administrator Henderson.

As the bill was reported from committee, it provides for a single administrator, instead of the five-man board demanded by the House. Probably this job will go to Henderson. Power will be granted to the administrator to enforce his price ceilings by licensing businesses.

Five possible levels are provided for price ceilings on farm products, the highest of which must be chosen. In the case of farm crops which have not been processed, all ceilings are subject to the approval of the secretary of agriculture. Wages and profits are not covered by the bill.

The American Observer

A Weekly Review of Social Thought and Action

Published weekly throughout the year (except two issues in December and three issues from the middle of August to the first week in September) by the CIVIC EDUCATION SERVICE, 744 Jackson Place, Washington, D. C.

Subscription price, single copy, \$2 a calendar year. In clubs of five or more for class use, \$1 a school year or 50 cents a semester. For a term shorter than a semester the price is 3 cents a week.

Entered as second-class matter Sept. 15, 1931, at the Post Office at Washington, D. C., under the Act of March 3, 1879.

EDITORIAL BOARD

CHARLES A. BEARD, HAROLD G. MOULTON

DAVID S. MUZZEY

WALTER E. MYER, Editor

PAUL D. MILLER, ANDRE DE PORRY
CLAY COSS, Associate Editors

The Week Abroad

The Battle Fronts

The naval strength of the United Nations, supported by American long-range bombers, last week belied Japanese claims to military supremacy in the Southwest Pacific. In almost continuous raids against Japanese convoys moving through the narrow straits that cut across the Dutch East Indies, American and Dutch warships, as well as Army Flying Fortresses, pounded at the foe with visibly mounting success. In one three-day period alone, they sank or damaged 26 Japanese vessels, including warships, troop transports, and equipment-laden freighters.



Pan American Hurricane
ELDERMAN IN WASHINGTON POST

On the land fronts in the Southwest Pacific, the Japanese continued with their offensives. They moved closer to Singapore. They gained bridgeheads upon outlying Australian islands. They seized the oil center of Balikpapan, on the east coast of Borneo, though not until its refineries and wells had been destroyed. And, finally, they drove into Burma, in the hope of reaching the port of Rangoon and cutting off the supply route to China. But the speed of their advance along all these fronts was notably reduced by the United Nations counterblows.

The campaign in North Africa, stalled for some weeks, burst into action, with the Axis forces under General Rommel taking the initiative. Apparently reinforced with tanks and planes, the German and Italian divisions grouped around El Agheila forced the British empire troops to retreat eastward to Agadabia.

The news from Libya gave Berlin a chance to play down its continued setbacks in eastern Europe, where the Russian counteroffensive showed

no signs of letting up. Having seized Mozhaish, the Red armies pushed ahead toward Vyazma; and, south of Leningrad, they scored a major advance that brought them to within 100 miles of the old Latvian frontier.

Plebiscite in Canada

A lively debate has been stirred up in Canada by the government's proposal to hold a plebiscite on the question of conscripting man power for overseas service. More than 130,000 dominion troops, besides airmen and sailors, are at present serving at active fighting fronts in the Far East, in North Africa, and in the British Isles. All these, however, are volunteer forces. The bulk of the army, made up of draftees, cannot be sent outside the dominion under existing legislation.

It is to obtain the voters' approval of a change in this legislation, so that all Canadian units may be sent wherever needed, that Prime Minister Mackenzie King has suggested the plebiscite. The dominion parliament has ample authority, without a popular referendum, to make whatever changes it desires in the military service laws. But Mackenzie King made an election promise two years ago that Canadian troops would not be drafted for overseas duty. He wants the plebiscite to free him from that pledge.

His proposal is being assailed in some dominion circles as a timid political gesture. Critics assert that the plebiscite would only unloose a flood of confused debate and kill precious time at a moment when the United Nations are struggling desperately to hold the Southwest Pacific against the Japanese assaults. King, however, takes the position that by giving the voters, especially the French Canadians of Quebec and Ontario, an opportunity to pass upon the legislative change, dominion sentiment would become united behind the war effort. In support of his proposal, he recalls the considerable opposition to military service overseas that was encountered in Quebec during the last war.

Hemisphere Solidarity

The conference of American foreign ministers came to a close last week in Rio de Janeiro with several major achievements to its credit. The delegates did not bring about a unanimous and immediate break between all the 21 republics and the Axis, as had been hoped. After long debate, they signed a joint resolution merely "recommending" that the nations of

this hemisphere should sever their ties with Germany, Japan, and Italy. This was done to meet the objections of Argentina and Chile. Nevertheless, as the meeting broke up, there were indications that all except Argentina and Chile would take immediate steps to comply with the recommendation. And it was considered possible that Argentina and Chile might eventually also follow through, until not a single Axis diplomat or consular agent remained on Western Hemisphere soil.

Of more lasting importance perhaps than this political decision was the behind-the-scenes agreement to coordinate hemisphere resources for mutual defense. The United States and 16 of the Latin-American nations agreed to abolish trade barriers for the duration of the war. This means, in effect, that raw materials and other resources needed in the war effort will move freely between these nations without regard to previous trade barriers, tariff duties, or import quotas. Since the United States and its allies are in a position, under this agreement, to absorb vastly increased quantities of Latin American goods, this measure should prove a powerful incentive to both Chile and Argentina to join the united front.

Hitler's Allies

There is no wholly reliable figure of German losses in the Russian war. Some sources say that 1,700,000 Nazi troops have already been killed on the eastern front and that 2,000,000 more have been wounded. More conservative estimates place the total German casualties, in dead and wounded, at somewhat less than 2,000,000 men. In any case, it is evident that Germany's man power is being strained and that hundreds of thousands of new troops will be needed to support a renewed Axis offensive against Russia in the spring.

For that reason, reports that Hitler has begun to put pressure upon his allies for increased contributions of man power seem wholly credible. Until now he has been content with "token forces" from most of his allies. They served, in Berlin's opinion, to dramatize a Europe unified behind Hitler and his Axis cause. The point has been reached, however, where Hitler needs more than political gestures from his satellites.

One difficulty he faces is that Europe's puppet states are quarreling among themselves over long-smoldering issues. Thus, Hungary is said to be ready to place more troops at the eastern front, but only if her



PICKS AND SHOVELS are wielded by these women of Britain who are laying power cables. Women are doing much work ordinarily reserved for men.

territorial demands upon Rumania are satisfied. Rumania, on the other hand, can hardly be loyal to the Axis setup if that loyalty is to be rewarded by a loss of territory. The bitterness between these two states is such, according to reports reaching this country, that their troops have clashed with one another when they have met on the Russian front.

Curtin of Australia

Labor governments are not new to Australia. Since 1901, when the country became a federated commonwealth, the Labor Party has been in power eight times. Its present parliamentary majority, however, is at best precarious, being entirely dependent upon the votes of two Independents who hold the balance of power in Australia's lower house.



John Curtin

The Labor prime minister, John Curtin, was swept into office last October as the result of the conservative coalition's defeat over a relatively minor issue of war finance. He knows that he may be swept out again by an equally minor issue. That has not deterred him, however, from raising highly controversial questions in the Canberra parliament. Recently, he stirred the Australian press into an editorial fever by suggesting that Australia might have to look to the United States rather than to Britain for its future security.

Prime Minister Curtin is hardly a dashing political figure. He must be the despair of cartoonists. At the age of 56, his appearance suggests an average businessman such as you might meet in any American city.



THE ROAD BACK. Abandoned German guns and armored vehicles of all kinds, left behind by Hitler's army as it retreated in haste before the powerful Russian counteroffensive.

Threat to Australia

(Concluded from page 1)

smiled grimly as they wrote down on their registers such birthplaces as Rome, Berlin, Vienna, and Prague.

Concern for the safety of Australia was not confined to the 7,500,000 inhabitants of the continent. Peoples everywhere who are fighting the Axis have a tremendous stake in the welfare of Australia. To the United States and Britain, Australia is vitally needed if the Japanese are to be prevented from dominating the entire far Pacific area. Australia is becoming the main base for all Allied efforts to protect Singapore and the Netherlands Indies. To keep men, equipment, and supplies in the Far Eastern theater of war, Britain and the United States must have access to Australia. Loss of Australian naval bases would be a blow to the United Nations from which it would be difficult to recover.

Although the scenes of battle shifted and came closer home last week the Australians have been engaged in the Second World War from its beginning. Australia joined the other members of the British Commonwealth of Nations in declaring war on Germany. Australian troops and equipment have seen action on practically every battle front of the war. Of Australia's total armed force of half a million, 120,000 are overseas.

Valiant "Aussies"

Early in the struggle the valiant "Aussies" fought in the Lowlands. They engaged in a fierce rear-guard action at Dunkerque that made it possible for thousands of British troops to escape annihilation. In Greece they fought the Axis armies which overran the peninsula. They took part in the Cretan and African campaigns of last year.

Great numbers of Australians are

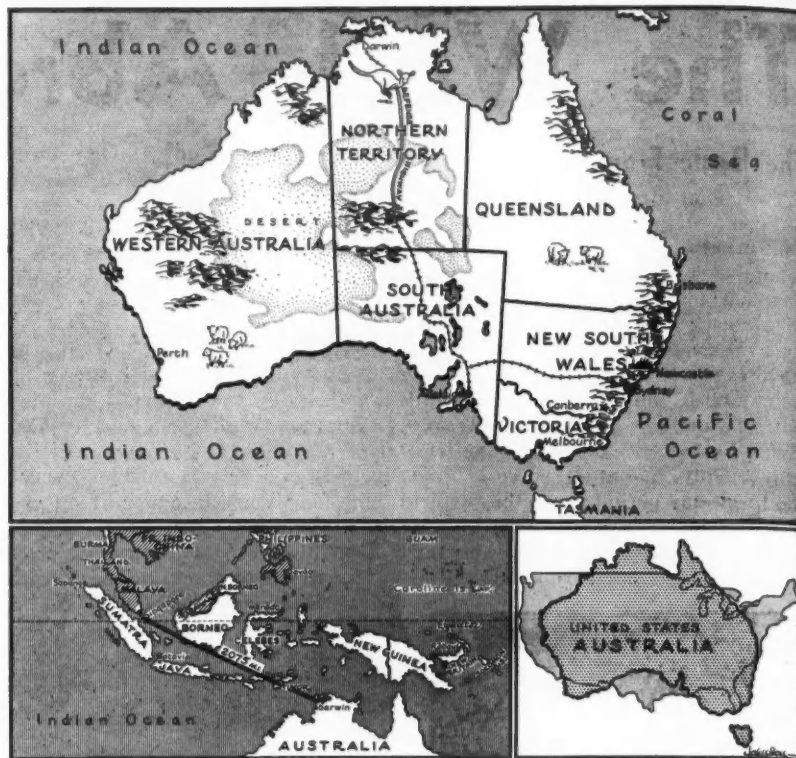
ful in delaying the steady Japanese drive on the Malay Peninsula.

But it is not only men—fighters unexcelled by any in the world—that Australia has contributed to the struggle against the Axis powers. The Allied cause has been greatly aided by the war materials produced in Australian factories. Manufacturing of every kind has been greatly expanded since the outbreak of war in 1939. Australian industry is said to have grown as much in the last two years as it would normally have developed in 25 years.

Industrial Progress

Not only has Australia been able, up to the present, to arm its own forces, but it has sent munitions of various types to Singapore, to the Near East, to New Zealand, and to the Netherlands Indies. Planes, tanks, guns, ships, and hundreds of other implements of war are coming in ever-increasing quantities from the Australian mills and factories. One of the largest steel plants in the world is located at Newcastle on the southeast coast north of Sydney. Thousands of machine tools—lathes, drill presses, shapers, and the like—have been made, installed, and are now at work turning out war supplies.

Entire new towns have sprung up during the last two years—towns built around explosives factories, airplane plants, and other war industries. Outside of Sydney is a group of factories, composed of 1,000 separate buildings. On the outskirts of Adelaide, there are 1,100 separate explosive plants which cover an area as great as the city itself. The airplane industry put its thousandth plane in the air last September and plans to turn out from 200 to 300 planes a month during 1942 and



AUSTRALIA is almost as large as the United States and occupies a strategic position in the Pacific.

for 50 years. One of its iron mines, a mountain of iron ore called "Iron Knob," is estimated to contain 100 million tons of ore above ground alone. The country is either self-sufficient in or is an exporter of many other vital minerals, including copper, zinc, manganese, chromite, tin, lead, tungsten, antimony, and mica.

Although there are no oil resources of importance in Australia, adequate supplies are available in the near-by Dutch East Indies. Many other commodities, such as sulphur, nickel, aluminum, and potash, must be imported for the war industries, but for the most part Australia is in a favored position and is making the most of its natural advantages.

Weakest Link

Perhaps the weakest link in Australia's industrial and defense organization is the railway system. The lack of extensive inland rail lines for the rapid movement of troops and supplies to any point on the continent is a serious handicap. The system is far from unified, with each state owning and managing its own railway. To make matters worse, the gauge—the distance between the rails—varies from state to state, making it impossible for a train to run over the entire system. Freight must be transferred several times before reaching its destination, thus consuming time and holding up defense.

Despite the rapid strides made in industrialization and war production, Australia is, and is likely to remain, essentially an agricultural country. It produces more than enough food for its own people and sells many farm products abroad. Every state in the federation produces the fine Australian wool which is the country's greatest export. Mutton, lamb, beef, and pork are also sent to market by every state. In every state there is a flourishing dairy industry. Queensland, lying partly within the tropics, is the nation's principal producer of sugar cane and the only cotton-producing state. Wheat, oats, potatoes, and hay are exported in considerable quantities. Other important agricultural products are rice, tobacco, and fruits of various kinds.

The great size of Australia has led

many people to overestimate its strength. Only a fourth to a third of the entire continent can be profitably used for agriculture or industry. Most of the 7,500,000 people live along the fertile coast. As one passes from the coastal region inland, the rainfall declines, and the land becomes dry, desolate, and barren. In the center of the continent is a vast, dead expanse of land 1,000,000 square miles in area. An area of equal size is good only for limited grazing. Although about half the continent lies within the tropics, the climate is very different from that of the neighboring Dutch East Indies. The dry Australian tropics make it impossible to support a large population.

The war has brought many changes to the daily life of the average Australian. The federal government, like our own, has increased its controls over the nation's economic life. It regulates food and commodity prices and rents. Interest rates and the investment of money are closely supervised by the government. Factory owners are told what to manufacture, and workmen are placed where they will be most useful. Heavy taxation is used to control purchasing power. The government regulates imports and exports. It tells farmers what to grow and how much to grow. It buys up farm products and stores them if markets are lacking. In short, the Australian government controls every phase of economic life as a means of throwing the nation's full material strength into the war effort.

REFERENCES:

Introducing Australia, by C. Hartley Grattan. (New York: John Day Company. \$3). A comprehensive picture of our least known continent, by America's foremost student and authority on Australia.

"How Australia Built for War," by Hallett Abend. *Nation*, January 3, 1942, pp. 12-14. The story of Australia's amazing transition to war industry. Also condensed in *Reader's Digest*, February, 1942, pp. 91-93.

"Australia Through Australian Eyes," by C. Hartley Grattan. *Asia*, November, 1941, pp. 613-617. Internal problems which Australia will face after the war.

"Australia: Arsenal of Empire," *The Christian Science Monitor Magazine*, January 17, 1942, pp. 8-9. How Australia has been transformed into an industrial nation.



ACME

THE SCENE in Australia is generally rural and agricultural. There are few large cities.

with the British forces now driving the enemy from Libya. Many are still in England to help drive off the Germans, should they attempt to cross the Channel. Others are stationed in Egypt to guard the Suez Canal. Still others are in the Middle East protecting the oil wells of Iraq and the supply lines running from the Persian Gulf to the Caspian Sea. For more than a year, Australian reinforcements have been moving into Singapore and Malaya. Crack Australian units, thoroughly trained in jungle fighting, have been success-

ful in delaying the steady Japanese drive on the Malay Peninsula.

1943. Whereas Australia had only one shipyard before the war, she now has seven, and more than 50 naval vessels are under construction. This remarkable industrial progress has been made possible by Australia's abundance of essential raw materials. Every state in Australia produces some of the minerals used in modern industry. In coal and iron ore, which lie at the base of industry, the dominion is more than self-sufficient. Australia's known coal reserves in 1930 were considered sufficient to supply the entire world

Planning Board Examines Postwar America

(Continued from page 1)

studies the best uses to which land in the different sections of the country may be put, and, in short, advises the President, Congress, and the various states as to what may be done to make business more stable and to make the people of the nation more prosperous.

The chairman of the Board is Frederic A. Delano, uncle of Franklin Delano Roosevelt. For many years Mr. Delano was a railway executive, and he has had experience in industrial and civic planning. Other members are Dr. Charles E. Merriam, professor emeritus of political science in the University of Chicago, and George F. Yantis, a lawyer from the state of Washington.

Working with the board is a staff of social scientists, with Charles W. Eliot as director. Mr. Eliot is grandson of the great educator, Charles F. Eliot, who was for many years President of Harvard University. This staff directs the work of many committees which carry on their work in all parts of the country.

The National Resources Planning Board, and committees and organizations associated with it, have been working for some time on the problem of avoiding a crash when the war is over. It is natural that they should be giving time to that matter. The danger we will face when the war ends is very real and extremely serious. We are building up great war industries employing millions of people, and when peace comes, there will be no more need for them. What, then, will the millions of workers do? Here, in general, is what the Planning Board has to say on the subject:

Providing Employment

We are remaking the industries of the nation in order to gear ourselves for a great war effort. We have completely wiped out one of our most important manufacturing industries, the making of automobiles. Thousands of other industries have either stopped operations, or have cut down their activities. It is estimated that in another year, half the working population will be employed in the war industries. In some cases, cities have doubled their population because new airplane or munitions factories have been located in their midst. New towns and cities have arisen on what had been uninhabited lands.

When the wheels in these new war factories cease to turn, new towns will be stranded; older cities in which the war plants are located will see half, or more, of their people unemployed; great numbers of the people in the country will be without work. This will happen unless plans are made to tide us over the period when we are getting back to peacetime production.

Hope has been expressed in some quarters that the situation at the end of the war will not be as bad as many think. Those who hold to this more hopeful view say that the peacetime industries will recover very quickly after the war ends. People whose automobiles have worn out will be wanting new ones. There will be a very strong demand for cars. This will give automobile plants more work than they can do. They can put their old employees to work again in the auto factories.

There will also be an acute housing shortage, for houses are not being built now. This will cause the construction industry to boom. There are hundreds of other things that people are now doing without. Stocks of goods will be low. There will be little on the shelves of the stores. Factories then can begin to hum, producing the things which the people need, but which they have gone without during the war. Just as the automobile factories are now being converted into airplane factories, it is argued, they can, when the war is over, be converted back into auto-

mobile factories. The same thing is true of hundreds of other kinds of factories.

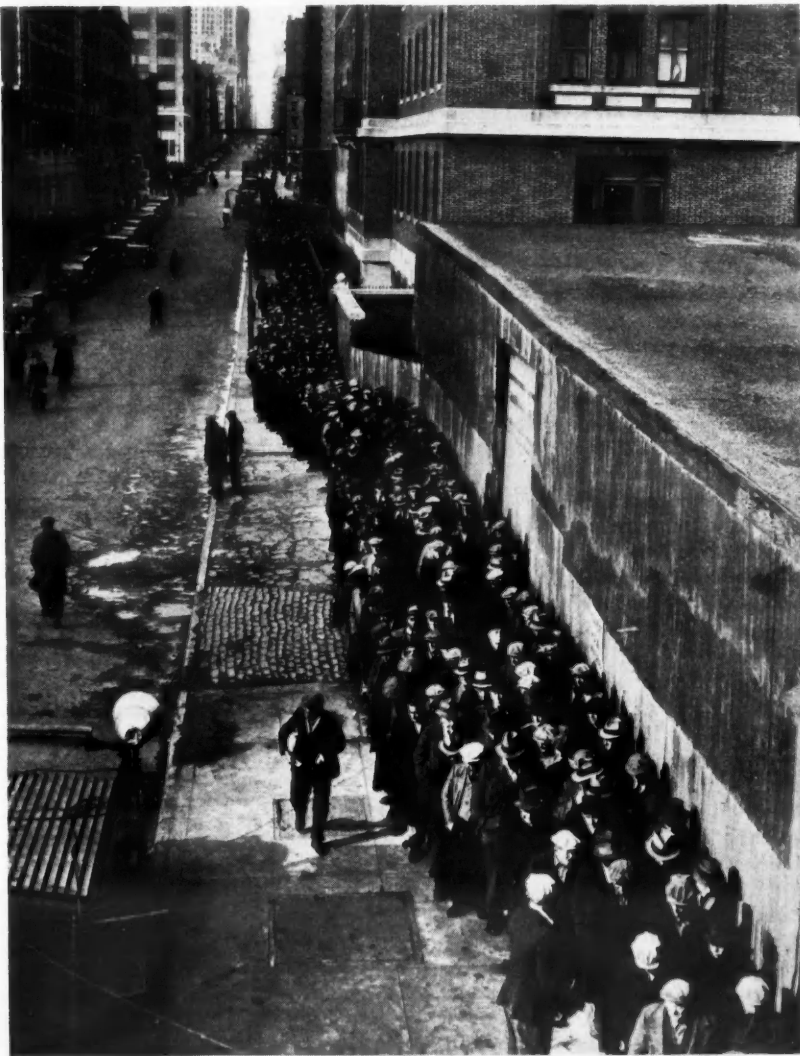
All this is true with certain reservations, but here is a fact to keep in mind: The thousands of factories which are now making war materials cannot be quickly converted back into factories capable of making automobiles or refrigerators or other peacetime articles. Different kinds of tools must first be installed. There will be a long period, in most cases a period of a year or more, during which the factories cannot make articles for peacetime demand.

During this time the factories will be closed. The employees will be out of work. And when they are out of work, they cannot buy automobiles, refrigerators, or houses, however much they may need them—however acute the shortage may be. This is a serious matter, for many of the owners of the factories will not install the new tools and start their factories on a great program of producing cars and refrigerators and houses and other things

if a large proportion of the people are out of work and unable to buy anything.

It is said that the factories which will be making war materials can be converted back into factories making peacetime goods, just as they are now being changed from factories making peacetime goods to factories making war materials.

But how are they now being changed? In the first place, they are not being changed quickly. It is taking months to make the automobile factories over into airplane factories. Furthermore, this work is



IN THE WORLD OF TOMORROW we need to strive for the prevention of unemployment, want, and insecurity, as first essentials in building a sound national life.

not being done by the owners of the plants themselves. It is being done through government planning.

The government is managing the whole process. In many cases it is changing the plants over at its own expense. In all cases, it is agreeing in advance to buy the products which the factories turn out.

Half of our whole manufacturing industry is being turned into war work under the direction of the government, and it seems reasonable to conclude that if it is ever to get back to peacetime production, it will be done with a large measure of government help and planning.

The report of the Board declares that if the planning is done in advance, there need be no depression at all. When the war closes, the government can step into the picture, and can give employment to people while the war industries are getting back to production for peacetime uses.

The government must go ahead employing people and spending money, only instead of spending

money to fight a war, it will spend it to remove slums, to construct decent houses for people to live in, to build schools and roads, and recreation facilities, to give the people medical care and education. In other words, it must have a positive program and work as hard to build a sound, prosperous America as it is working at the necessary job of defeating our enemies.

But how is the government to get the money to do all this? The Board says that question can be answered. If the government carries on a great program and gives work to all who cannot find work in private industry, these people will then have incomes. They can buy things. This will create a demand for the goods which the factories will be beginning to produce. After a while an increasing number of men will find work in private industries. Meanwhile, all the people will have incomes just as they now have them. Industry will be stimulated. The people can pay taxes. Since all will be employed, they can pay enough taxes to meet the expenses of the government's program.

The report of the National Resources Planning Board asserts that it should be the permanent policy of the government to give employment to people whenever they cannot find work in private industry. If this is done, the lives of millions will not be ruined by unemployment. Since all the people will have work, they can maintain health and educate themselves and be better citizens.

The report is not satisfied with negative results—with merely avoiding depression. If we plan to use our national and human resources wisely, it declares, we need not go back to conditions as they existed before the war. We may furnish to the American people a standard of living far surpassing anything they have known. Our nation is rich enough now, the Board thinks, to guarantee everyone rights far beyond those they have enjoyed in the past. We have, up to this time, gained for ourselves certain precious rights; among them the right to free speech and press; the right to worship as we please. Now, for the first time in history, we can, if we will, guarantee to all these other rights:

1. The right to work, usefully and creatively through the productive years;
2. The right to fair pay, adequate to command the necessities and amenities of life in exchange for work, ideas, thrift, and other socially valuable service;
3. The right to adequate food, clothing, shelter, and medical care;
4. The right to security, with freedom from fear of old age, want, dependency, sickness, unemployment, and accident;
5. The right to live in a system of free enterprise, free from compulsory labor, irresponsible private power, arbitrary public authority, and unregulated monopolies;
6. The right to come and go, to speak or to be silent, free from the spyings of secret political police;
7. The right to equality before the law, with equal access to justice in fact;
8. The right to education, for work, for citizenship, and for personal growth and happiness; and

(Concluded on page 3)

WPB Swings Into Action

FROM June 1940 until the recent appointment of Donald M. Nelson as war production czar, the American defense effort was best described in terms of red tape, delay, buck passing, and lack of authority. (See last week's AMERICAN OBSERVER.) Day after day newspapers and critics needed the administration for not reorganizing the sprawling, inefficient hodge-podge of OPM, OEM, and SPAB.

With the creation of the War Production Board, however, President Roosevelt finally accomplished what Wendell Willkie had demanded on 125 separate occasions—a single boss for war production. As head of WPB, Donald Nelson has more power than has been given to any United States citizen except the President himself, and far more than that wielded by Bernard M. Baruch as World War I production chief. Second only to the President, Nelson can overrule the Army, the Navy, and all other government departments on matters of production and procurement. He can hire and fire without even the President's approval. He can seize plants, order them to cease or convert production, start new plants, or commandeer materials. Cabinet members, as well as the other members of WPB, can only advise him; his orders are supreme.

In order to carry out his unprecedented powers, Nelson has built around him a unified, streamlined organization. The OEM still exists as the framework in which the WPB was created, but for practical purposes it may be disregarded. Both SPAB and OPM are now abolished, but most of their officials have been given similar positions with vastly increased authority in the new organization. All of them are thus experienced in defense work.

Nelson's organization consists primarily of six major operating divisions, each under one man with complete authority. They are as follows:

1. The Purchases Division, headed by Douglas MacKeachie. This division will place representatives in the Army, Navy, and other agencies to help them in purchasing needed materials. Mr. MacKeachie was director of purchases under the OPM, and was previously a director of the Atlantic and Pacific Tea Company.

2. The Production Division, headed by W. H. Harrison. This division also will work directly with the Army and the Navy in making plans for production of planes, tanks, guns, and ships. William S. Knudsen, who is now a Lieutenant General in charge of the Army's munitions program,

will play an important part in this planning. This division will also handle all contract distribution.

Mr. Harrison held a similar position with OPM. He is on leave as vice-president of the American Telephone and Telegraph Company.

3. The Materials Division, headed by William L. Batt, which will continue the function of the materials division of OPM. It will see where and how materials can be obtained and will stimulate production of copper, lead, and other basic raw materials. It will work in close conjunction with a Requirements Board, also headed by Mr. Batt, and made up of representatives of the customers of the war production program—the Army, Navy, lend-lease, Maritime Commission, and civilian supply. This group will allocate available stocks of materials among civilian and war industries.

Mr. Batt is president of the SKF Industries of Philadelphia. He was director of the materials division of OPM.

4. The Division of Industry Operations, under J. S. Knowlson. This new unit will take over all the problems of handling priorities. It will have charge of between 50 and 60 industry branches, each of which will have a branch chief. These men will be responsible for converting their industry groups into war production, and will possess full authority directly from Nelson. They will receive advice and help from labor and management advisory committees.

To understand the significance of all these changes, it is necessary to realize that, for the first time, officials are given both full responsibility and full authority to carry out their assignments. Previously, the authority was lacking, or was divided with several other officials and agencies.

Mr. Knowlson was formerly deputy director of the OPM Priorities Division. He is president of the Stewart-Warner Corporation.

The most important conversion job just now is that of the automobile industry. This job Nelson has given to Ernest Kanzler, head of the WPB automotive branch. He is president of a large automobile finance company and was formerly a production director of the Ford Motor Company. Kanzler already has worked out detailed plans for conversion, and will make his headquarters directly on the scene of action, in Detroit.

5. The Labor Division, taken over from OPM, and headed by Sidney Hillman. Its function will be to train



WAR PRODUCTION BOARD as it met for the first time. Left to right: Price Administrator Leon Henderson; Undersecretary of Navy James B. Forrestal; Federal Loan Administrator Jesse Jones; Secretary of Navy Frank Knox; Chairman Donald Nelson; Vice-President Henry A. Wallace; Undersecretary of War Robert Patterson; William S. Knudsen. Standing are Herbert Emmerich, Executive Secretary, and John Lord O'Brien, General Counsel.

skilled workmen and keep the war production program well supplied. Hillman has been co-director of OPM with W. S. Knudsen.

6. The last division will be that of Civilian Supply, headed by Leon Henderson. His job will be to "fight" to secure materials so that essential civilian industries are able to continue operation.

Henderson will continue as chief of the Office of Price Administration, for the WPB has no connection with or authority over matters of price control. Henderson was a member of the NRA board, and has been identified with the defense effort since its beginning.

A seventh division is expected to be organized later to work in the field. Its job will be to speed subcontracting and priorities, and in general expedite the war program.

In addition to these "operating divisions," there are two others which will have no administrative or executive functions. One is a Progress Reporting unit, under Stacy May. The other is a Planning Division, to suggest methods for increasing and hurrying the war production.

These units, which Nelson calls his "brain trust," are something entirely new in the defense program. They have been likened to a great electric indicator board, "continually supplying charts of progress showing production expectations and accomplishments, and revealing, item by item, the status of production, the forecasts, and the failures. In addition they will show the 'why' of shortcomings and bottlenecks and will suggest the steps that must be taken—the additional contracts to be placed, the conversion of industry re-

quired, the addition of new tools or more labor or more shifts—if the war program is to be realized on schedule."

These two new units will work closely together and with a statistics division, also under Stacy May, which will provide the raw material of facts and figures. Stacy May was formerly with the Rockefeller Foundation.

If the vigorous fashion in which Nelson has taken over command is any index to the future, the defense program is finally under competent management which knows what needs to be done and how to do it. As Nelson himself said in his first press conference, "Debating societies are out. We are going to have action!"

When newsmen pointed out that the new organization contains the very same men who failed under the old hodge-podge, Nelson answered that he was relying on a changed attitude. He said that the chief defects of the old system had been remedied by giving the men carefully defined authority and responsibility.

News Quiz of the Week

Planning Board Report

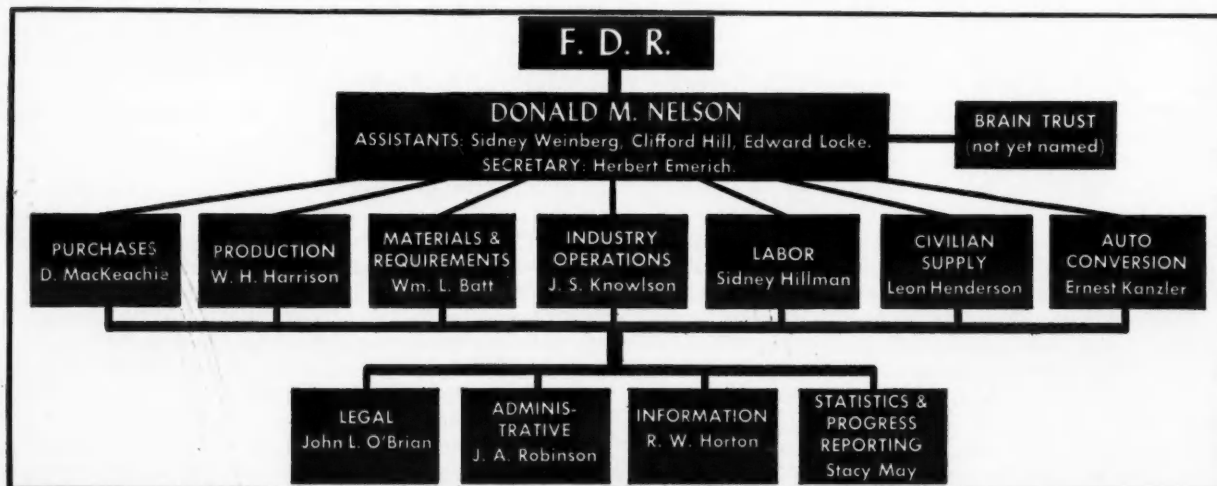
1. What action does the National Resources Planning Board think will have to be taken in order to prevent a serious economic collapse at the end of the war?
2. What role will the government have to play during the period of transition from a wartime to a peacetime economy?
3. Name some of the products of which there is likely to be a shortage when the war is over.
4. What new freedoms are outlined in the Planning Board's report?

Australia

1. Which of the islands surrounding Australia have been attacked by Japan?
2. How does Australia compare in size with the United States?
3. Relate the extent to which Australia's industrialization has been expanded since the war.
4. Why is Australia of such strategic importance to the United Nations?

Miscellaneous

1. What were the principal findings of the Roberts commission about the disaster at Pearl Harbor?
2. What were the principal achievements of the Rio de Janeiro conference?
3. Describe the organization of the War Production Board.
4. What are the main provisions of the price-control bill?



How war agencies are reorganized under the War Production Board

COURTESY THE NEWSPAPER PH